

# Climate-Related Scenario Analysis

## PROBLEM STATEMENT

Colgate-Palmolive has publicly disclosed its sustainability commitments and goals in 2015 to 2020 Sustainability Strategy Report identifying climate change as one of the key issues. The company maintains CDP Climate A list ranking and is included in Dow Jones Sustainability North America Index.

**Current State:** Climate Scenario Analysis as a reporting requirement is being pushed by sustainability rating agencies. There is knowledge gap within Colgate about Scenario Analysis and how organizations can implement it.

**Desired State:** Colgate Sustainability Department would like to have a thorough understanding of Scenario Analysis and a plan to implement it if it is deemed that Scenario Analysis is relevant to Colgate.

**Why Do It:** Colgate-Palmolive wants to maintain its leadership position in sustainability. The purpose of this project is to provide Colgate-Palmolive resources to close this knowledge gap and recommendations for implementation.

## SENSE-MAKING

- ✓ Workshop with Colgate-Palmolive's Sustainability Department
- ✓ Interviews with Department Representatives in Sourcing, Manufacturing and Distribution
- ✓ Interviews with External Experts
- ✓ Literature Review (Reporting Guidelines, Questionnaires)
- ✓ Landscape Analysis (Competitors, Customers)



**Colgate-Palmolive's Sustainability Department**

**External Reporting**

**Internal Sustainability Consulting**



*Sourcing Manufacturing Distribution*

- Sustainability Report
- CDP Reporting
- TCFD Guidelines

- Complex global supply chain
- Difficulty in scaling initiative
- Knowledge gap for scenario analysis

## RECOMMENDATIONS

### EDUCATIONAL RESOURCES



*Slide deck focusing on scenario analysis and its importance*

### TEN-STEP SCENARIO ANALYSIS PROCESS



*Paul J.H. Schoemaker's Scenario Planning Framework*

### MOCK SCENARIO ANALYSIS



*Preliminary 2°C Scenario Analysis using IEA 2DS*

### IMPLEMENTATION ROADMAP

- Educate Sustainability department and internal key stakeholders
- Build consensus within the firm
- Bring external experts onboard
- Perform Climate Scenario Analysis
- Assess business impact
- Compile and report

### PILOT PROJECT PROPOSAL

	Time	Q1	Q2	Q3	Q4
Internal Info Meetings					
Working Group Formation					
Scoping and Work Plan					
External Collaborations					
Scenarios Development					
Implementation					
Compile Documentation					